



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 25, 2003

### **H.R. 2801** **Minority Serving Institution Digital and Wireless Technology** **Opportunity Act of 2003**

*As ordered reported by the House Committee on Science on July 22, 2003*

#### **SUMMARY**

H.R. 2801 would create a new grant program for educational institutions that serve minority students within the Department of Commerce's (DOC's) Technology Administration. Eligible institutions could use the funds to improve instructional capabilities and acquire digital and wireless communication and information technology. The bill would authorize the appropriation of \$250 million for each of fiscal years 2004 through 2008 for this program and would require grant recipients to provide matching funds under certain conditions.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 2801 would cost \$823 million over the 2004-2008 period. CBO estimates that enacting this bill would have no effect on direct spending or revenues.

H.R. 2801 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs incurred by state, local, or tribal governments would be subject to conditions of aid and thus voluntary.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2801 is shown in the following table. For this estimate, CBO assumes that the amounts authorized will be appropriated near the start of each fiscal year and that the outlays will occur at rates similar to those of other DOC programs. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars				
	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>					
Authorization Level	250	250	250	250	250
Estimated Outlays	30	130	200	228	235

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2801 contains no intergovernmental mandates as defined in UMRA. Any costs incurred by state, local, or tribal governments would be the result of complying with federal grant conditions and would be voluntary. The bill would primarily benefit educational institutions—including public institutions—that serve minorities, members of Native American Tribes, and disadvantaged students. Assuming that approximately 65 percent of such institutions are public or tribal institutions, H.R. 2801 would authorize grants to state, local, and tribal governments that would total about \$160 million per year.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

This bill contains no new private-sector mandates as defined in UMRA.

## **PREVIOUS CBO ESTIMATE**

On March 18, 2003, CBO transmitted a cost estimate for S. 196, the Digital and Wireless Network Technology Program Act of 2003, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on March 13, 2003. The two pieces of legislation are similar, and our cost estimates are the same.

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